



## The City of Lyons

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### MEMORANDUM

File No. 5045

6 December 2010

From: City Administrator

To: Distribution List

**Subject:** City of Lyons Policy for Utility Write Off Procedure

**Reference:** (a) City of Lyons Policy for Utility Write Off Procedure dated 15 Mar 04  
(b) Policy Set-Off Program Administrative Fee for Set-Off Program 6 Oct 08

#### 1. PURPOSE

To update establish procedures for the processing of utility write offs within the City of Lyons. Reference (a) and (b) procedures have been incorporated into this policy.

#### 2. RESPONSIBILITY

- a. The Administration Department is responsible for the execution of this plan.
- b. The City Attorney has specific responsibilities within the plan.

#### 3. OPERATIONS

a. The Administration Department will attempt to obtain payment for city services when no payment has been received on an account and the utility services have been disconnected or no longer in the individual's name. This will be done through formal correspondence with a copy being maintained in the official City files.

b. **If the address is known:**

(1) The Administration Department will send a formal letter to the individual requesting payment.

(2) If no payment is received after 60 days from the date disconnected or the service is no longer in the individual's name, the Administration Department will request in writing the City Attorney's assistance in collecting overdue payments for city services. A copy of the bill will be attached along with a current address listing of the individual.

(3) The City Attorney will by formal letter (copy to Administration Department) request payment for the city services. The City Attorney will attempt for 45 days to obtain payment at which time the payments due will be classified as a “Bad Debt.” For those accounts over \$500, the City Attorney will initiate formal civil action to collect payment and notify the Administration Department that this action is taking place. Accounts under \$500 will be returned to Administration Department for Bad Debt utility write off and collection process as specified below in paragraph d.

c. **If the address is not known:**

The Administration Department will continue to research and attempt to find a valid address for a period of 90 days at which time it will be processed as a “Bad Debt” utility write off and will follow the collection process as specified below in paragraph d.

d. The Utility Write Off of Bad Debt accounts is the last and the least desirable action to be taken in the collection of utility funds.

(1) All Utility Write Offs require the approval of the City Council.

(2) Utility Write Offs will be taken to the City Council monthly for approval during the 2<sup>nd</sup> City Council Meeting. The Administration Department is responsible for identifying all monthly utility write offs to the City Administrator for inclusion into the City Council Agenda the Wednesday prior to the 2<sup>nd</sup> City Council Meeting.

e. The Administration Department, after City Council approval for the utility write off, will accomplish the following:

(1) Remove the account off computer files

(2) Send the account for collection to the City of Lyons Collection Agency

(3) Send the account for collection to the State Set Off Program

(4) The State of Kansas charges 18.4% on electronic submissions or 23.4% on paper submissions. The City of Lyons administration fee is established at 22.5% of the total debt being requested through the set off program.

f. The Administration Department will continue to review “Bad Debt” accounts in the event an individual attempts to establish a new account or an address is obtained, at which time the City Attorney will be advised and attempt to collect payment. If the bad debt is collected, the Administration Department must resend the request for collection with the City of Lyons Collection Agency and the State Set Off Program.

g. By City Code debt payment agreements for City services (i.e. utility payments) cannot exceed 6 months payment without specific approval of City Council. This includes “Bad Debt” accounts.

4. This memorandum is effective immediately and references are cancelled. The City Administrator is the approving authority for changes to the City of Lyons policy for utility write off procedures.

John Sweet  
City Administrator  
City of Lyons

Distribution List:  
Administration Department  
City Attorney  
City Council